

SECRET

10 June 1957

THRU : Special Assistant to the AD/RR
THRU : Chief, Economic Research
THRU : Chief, Industrial Division, ORR
THRU : Chief, Military Economics Branch, D/I/RR

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REF : ORR Regulation R 50-17.

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1. On Friday, 7 June 1957, at 3:30 p.m., [redacted] and I met with [redacted] to discuss a paper entitled [redacted]

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2. The basis for the conversation was for background use only, not to be attributed. The following points were made:

- a) that ORR found the approach interesting;
- b) that the conclusions relating to troop strength and conventional armaments were unfounded in the light of ORR's military pay calculations. (These calculations are the subject of [redacted])
- c) that the conclusion with respect to the amount of the residual available for "new weapons not hitherto found in units" can only be valid if the quoted terminology pertains to high performance aircraft and perhaps nuclear powered submarines as well as guided missiles;
- d) that major electronic equipment such as radar and communication equipment was absent from the list of "major defence items;"
- e) that the ruble valuations seem on cursory examination to be perhaps 20 percent high.

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3. No particularly productive avenue for extracting quo quo seemed possible. [redacted] has no particular economic expertise. Neither this study nor any other [redacted] publications reveal the possible existence of intelligence information unknown to ORR.

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